

THE MEDIA SHOPPE BERHAD

Year 2008

3rd Quarter Announcement

The Media Shoppe Berhad
(Incorporated in Malaysia - Company No. 383028-D)
CONDENSED INCOME STATEMENTS
For the 9 months ended 30 September 2008
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	2008 QUARTER ENDED 9/30/2008 RM'000	2007 QUARTER ENDED 9/30/2007 RM'000	2008 YEAR TO DATE 9/30/2008 RM'000	2007 YEAR TO DATE 9/30/2007 RM'000
Revenue	3,090	749	9,155	4,991
Other operating income	16	46	60	147
Operating expenses	(3,515)	(1,902)	(9,901)	(7,871)
Loss from operations	(409)	(1,107)	(686)	(2,733)
Finance costs, net	(32)	(27)	(102)	(62)
Loss before taxation	(441)	(1,134)	(788)	(2,795)
Taxation	-	-	-	(1)
Loss after taxation	(441)	(1,134)	(788)	(2,796)
Minority interests	-	-	-	-
Loss attributable to shareholders	(441)	(1,134)	(788)	(2,796)
Earnings per share				
(i) Basic (Sen)	(0.33)	(0.86)	(0.60)	(2.12)
(ii) Diluted (Sen)	N/A	N/A	N/A	N/A

(The Condensed Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007)

The Media Shoppe Berhad (383028-D)
CONDENSED BALANCE SHEET
As at 30 September 2008 and 31 December 2007

	(UNAUDITED)	(AUDITED)
	As at 30 Sep 2008	As at 31 Dec 2007
	RM'000	RM'000
Plant and equipment	3,444	3,067
Other investment	77	77
Software development expenditure	4,124	3,248
Goodwill	3,139	3,139
Current Assets		
Trade and other receivables	4,672	4,116
Cash and cash equivalents	3,591	5,847
	<u>8,263</u>	<u>9,963</u>
Current Liabilities		
Trade and other payables	1,802	864
Hire purchase creditor	64	64
Bank Overdraft	1	529
Taxation	(5)	(5)
Term loan	43	43
	<u>1,905</u>	<u>1,495</u>
Net Current Assets	6,358	8,468
	<u>17,142</u>	<u>17,999</u>
Capital and Reserves		
Share capital	13,164	13,164
Reserves	2,656	3,444
Shareholder's funds	<u>15,820</u>	<u>16,608</u>
Long term liabilities		
Hire purchase creditor- non current	175	214
Term loan	1,147	1,177
	<u>17,142</u>	<u>17,999</u>
Net assets per share (Sen)	12.02	12.62

(The Condensed Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2007)

The Media Shoppe Berhad (383028-D)
Condensed Cash Flow Statement
For the 9 months ended 30 September 2008

	<u>(UNAUDITED)</u> 30 Sep 2008 RM'000	<u>(AUDITED)</u> 31 Dec 2007 RM'000
Loss before taxation	(788)	(3,945)
Adjustment for non cash items :		
Allowance for doubtful debts	85	235
Amortisation of software development cost	843	942
Depreciation of plant and equipment	296	372
Interest expense	91	84
Gain on disposal of plant and equipment	-	(31)
Bad debts written off	-	11
Interest income	(60)	(187)
Operating profit/(loss) before working capital changes	<u>467</u>	<u>(2,519)</u>
Changes in working capital		
Net change in current assets	(641)	1,184
Net change in current liabilities	938	200
Net cash used in operations	<u>764</u>	<u>(1,135)</u>
Interest paid	(91)	(84)
Income tax paid	-	(5)
Net cash generated from/(used in) operating activities	<u>673</u>	<u>(1,224)</u>
INVESTING ACTIVITIES		
Interest received	60	187
Software development cost paid	(1,719)	(1,011)
Proceeds from disposal of plant and equipment	-	31
Purchase of plant and equipment	(673)	(2,627)
Net cash used in investing activities	<u>(2,332)</u>	<u>(3,420)</u>
FINANCING ACTIVITIES		
Repayment of hire purchase creditor	(39)	(124)
Term loan	(30)	1,220
Net cash (used in)/ generated from financing activities	<u>(69)</u>	<u>1,096</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(1,728)</u>	<u>(3,548)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>5,318</u>	<u>8,866</u>
CASH AND CASH EQUIVALENTS AT QUARTER END Note 1	<u>3,590</u>	<u>5,318</u>

(The Condensed Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007)

Note 1

<u>Cash and Cash Equivalents:</u>	9/30/2008	12/31/2007
Deposits	2,278	5,668
Cash and bank balances	1,313	179
Bank overdraft	(1)	(529)
	<u>3,590</u>	<u>5,318</u>

The Media Shoppe Berhad (383028-D)
 Condensed Statement of Changes in Equity
 For the 9 months ended 30 September 2008

	Share Capital RM'000	Share Premium RM'000	Accumulated Losses RM'000	Exchange Reserves RM'000	Total RM'000
9 months ended 30 September 2008					
Balance as at 31 December 2007	13,164	9,551	(6,094)	(13)	16,608
Foreign exchange difference	-	-	-	-	-
Net loss for the 9 months ended 30 September 2008	-	-	(788)	-	(788)
Balance as at 30 September 2008	13,164	9,551	(6,882)	(13)	15,820
9 months ended 30 September 2007					
Balance as at 31 December 2006	13,164	9,551	(2,147)	(13)	20,555
Foreign exchange difference	-	-	-	-	-
Net loss for the 9 months ended 30 September 2007	-	-	(2,796)	-	(2,796)
Balance as at 30 September 2007	13,164	9,551	(4,943)	(13)	17,759

(The Condensed Statement of changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2007)

THE MEDIA SHOPPE BERHAD

(Company No. 383028-D)
(Incorporated in Malaysia)

1. Basis of Preparation.

The interim financial report is unaudited and is prepared in accordance with FRS 134 “Interim Financial Reporting” and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the MESDAQ Market and should be read in conjunction with the audited consolidated financial statements of The Media Shoppe Berhad and its subsidiary (“**the Group**”) for the year ended 31 December 2007.

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the annual financial statements for the year ended 31 December 2007.

2. Auditors’ Report on Preceding Annual Financial Statements

The auditor’s report of the preceding annual financial statements was not subject to any qualification.

3. Comments About Seasonal or Cyclical Factors

The Group’s interim operations are not materially affected by any seasonal or cyclical factors.

4. Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items during the quarter under review.

5. Changes in Estimates

There were no changes in estimates during the quarter under review.

6. Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares during the quarter under review.

7. Dividends Paid

There were no dividends paid during the quarter under review.

8. Segmental Information

No segmental information is provided as the Group’s revenue and profit after taxation is principally contributed from the provision of integrated web-based and mobile applications and solutions and the Group operates principally in Malaysia.

9. Carrying Amount of Revalued Assets

The Group did not revalue any of its property, plant and equipment during the quarter under review.

10. Subsequent Events

There were no material events between 1 October 2008 to 13 November 2008 (the latest practicable date not earlier than seven (7) days from the date of issue of this report) that have not been reflected in the interim financial statements.

11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the period under review.

12. Contingent Liabilities

There were no contingent liabilities as at 13 November 2008 (the latest practicable date not earlier than seven (7) days from the date of issue of this report).

13. Capital Commitments

There were no capital commitments as at 13 November 2008 (the latest practicable date not earlier than seven (7) days from the date of issue of this report).

14. Performance review

The Group generated revenue of approximately RM3.1 million for the quarter ended 30 September 2008, representing an increase in revenue of approximately 313% as compared to the quarter ended 30 September 2007, and a loss before taxation of approximately RM441,000 for the quarter ended 30 September 2008, representing a decrease in losses of approximately 61% as compared to the quarter ended 30 September 2007.

15. Commentary on Material Changes in Profit/(Loss) before Taxation

	Quarter ended 30/09/08 Unaudited RM'000	Quarter ended 30/06/08 Unaudited RM'000	Change (%)
Revenue	3,090	3,275	(6%)
(Loss)/Profit before taxation	(441)	29	(1,621%)

The Company's revenue had only marginally decreased as compared to the previous quarter and was mainly driven by the delivery of TMS's software application development together with the sale of third party products and services. However, as the sale of third party products and services with lower profit margin was higher as compared to the previous quarter coupled with high overhead expenses the Group incurred higher loss before taxation as compared to the previous quarter.

16. Commentary on Prospects

In the last quarter report, the Group expected an increase in revenue and profit before taxation. This fell short in the quarter under review due to delays in the completion of certain projects which are expected to be recognised in the following quarter. However, given the current unfavourable economic conditions, capital spending on IT related projects has been slowing down among many of the clients of the Group. The Group foresees that the performance of the next quarter will be adversely affected.

17. Profit Forecast and Profit Guarantee

The Company did not issue any profit forecast or profit guarantee in any public document during the quarter under review.

18. Taxation

The tax rate of the Group for YA 2008 is 26% and no provision for taxation is made for the Company as the company was granted Multimedia Super Corridor ("MSC") status and enjoyed the tax exemption during the quarter under review.

19. Sale of Unquoted Investments and Properties

There were no sale of unquoted investments and properties during the quarter under review.

20. Quoted Securities

The Group did not have any investment in quoted securities as at the date of this report.

21. Status of Corporate Proposals

There were no corporate proposals as at 13 November 2008 (the latest practicable date not earlier than seven (7) days from the date of issue of this report).

22. Group Borrowings and Debt Securities

The Group's interest-bearing borrowings as at 30 September 2008 are in respect of hire purchase of a motor vehicle, a term loan and bank overdraft for the office as follows:

	RM' 000
Current - secured	
Hire purchase creditor – payable within 12 months	64
Term loan – payable within 12 months	43
Bank overdraft	1
	<hr/> 108 <hr/>
Non-Current -secured	
Hire purchase creditor – payable after 12 months	175
Term loan – payable after 12 months	1,147
	<hr/> 1,322 <hr/>
	<hr/> 1,430 <hr/>

23. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this report.

24. Changes in Material Litigation

Neither the Company nor its subsidiaries are engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group which might materially and adversely affect the financial position or business of the Group.

25. Dividend Payable

No interim dividend has been declared or proposed.

26. Earnings per Share

The earnings per share were calculated by dividing the Company's loss after taxation and minority interest by the weighted average number of ordinary shares in the respective period as follows:

	Current Year Quarter	Current Year To Date
Loss after taxation (RM'000)	(441)	(788)
Weighted average number of ordinary shares	131,643,600	131,643,600
Basic loss per share (Sen)	<u>(0.33)</u>	<u>(0.60)</u>
Diluted earnings/(loss) per share (Sen)	<u>N/A</u>	<u>N/A</u>

27. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 19 November 2008.

By order of the Board
Mah Li Chen (MAICSA 7022751)
Company Secretary
Kuala Lumpur